



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 230**
Streamlining Draft **AGKENNEDY 08**

Date: December 14, 2009 10:28 AM	Author:
Dept./Agy.: DOTD	
Subject: Crescent City Connection Division (CCCD)	Analyst: Travis McIlwain

Tolls

Crescent City Connection Division (CCCD)

Page 1 of 1

Provide that the annual budget for the Crescent City Connection Division (CCCD) of the Department of Transportation and Development (DOTD) can be no more than the amount of annual tolls collected by the Crescent City Connection, which tolls cannot be raised without a two-thirds vote of the legislature.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$3,490,583)	(\$3,490,583)	(\$3,490,583)	(\$3,490,583)	(\$3,490,583)	(\$17,452,915)
Ded./Other	(\$5,194,516)	(\$5,194,516)	(\$5,194,516)	(\$5,194,516)	(\$5,194,516)	(\$25,972,580)
Federal Funds	(\$825,000)	(\$825,000)	(\$825,000)	(\$825,000)	(\$825,000)	(\$4,125,000)
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$9,510,099)	(\$9,510,099)	(\$9,510,099)	(\$9,510,099)	(\$9,510,099)	(\$47,550,495)

EXPENDITURE EXPLANATION
The CCCD has incurred expenditures and utilized its various revenue sources to fund those expenditures. However, this recommendation would likely require the CCCD to prioritize its expenditures as approximately \$9.5 M of available revenues would no longer be available for expenditure. Some of the major CCCD expenditure expenditures include: \$7.0 M in bridge personnel costs for 128 positions of which 35 are police officers at a cost of \$2.2 M, operation and maintenance of 3 ferries at an annual cost of approximately \$9.0 M and 85 positions, annual debt service payments for \$2.5 M.

REVENUE EXPLANATION
The proposed recommendation will result in decreased revenues available to the CCCD in the amount of \$9.5 million. Based upon FY 09 prior year actual data, the CCCD’s revenue sources, which total approximately \$30.9 million, are as follows: \$144,839 - interest on investments, \$21,379,157 - toll revenues, \$56,488 - scrip revenue (businesses buying bulk toll tags), \$251,831 - ferry revenue, \$5,194,516 - State Highway Fund #2, \$47,835 - other income, \$825,000 - federal grants (FTA), \$2,989,590 - prior year reserves. To the extent all other revenue sources are not available and the toll revenues are the only source that can be utilized, the CCCD will only have approximately \$21.4 million of \$30.9 million of annual revenue available for expenditure.

For the past 5 fiscal years, the CCCD on average has utilized approximately \$5.1 million of unreserved fund balance to fund its annual expenditures (includes the \$4.0 million annual insurance policy that has been canceled). This recommendation prevents the CCCD from utilizing such a fund balance to maintain its current operational level. In addition, the State Highway Fund #2 is currently utilized by the CCCD to pay its debt service. Based upon the latest debt schedule information, the CCCD will pay its debt completely by 2013. Therefore CCCD’s debt service payment in FY 10 is projected to be \$2.4 million. Based upon the latest adopted revenue forecast, the CCCD’s portion of State Highway Fund #2 is greater than its annual debt service by \$2.5 million, which would allow the CCCD to utilize this excess for operating expenditures. If this recommendation is enacted, the CCCD will have to utilize its toll revenues for debt service, which leaves approximately \$18.9 million of available revenues for actual operational expenditures.

NOTE: R.S. 47:820.5 provides for the tolls on the CCCD to be eliminated on December 31, 2012. When the tolls are eliminated and CCCD’s debt is paid in full, the CCCD will no longer have approximately \$25.0 million in available funding (\$20.0 toll revenues and \$5.0 million State Highway Fund #2). Unless the bonds are refinanced and extended and the tolls are renewed via legislation, these two revenue sources will no longer be available to the CCCD. To the extent the bonds are paid in full, based upon attorney general opinion 92-74, “after said bonds have been fully paid in principal and interest further payments to said bridge and ferry authority shall cease and the said fifty percent (50%) of the surplus monies remaining in State Highway Fund #2 shall be transferred to the General Highway Fund.” Because the General Highway Fund no longer exists, it is unclear if that dedication would go to the State General Fund or the Transportation Trust Fund (TTF) once the CCCD’s bond debt is paid in full.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	H. Gordon Monk Legislative Fiscal Officer